

**Summary of Twenty-first Negotiation Session on
New Water Supply and Extended MOU Agreement**

Date of Session: August 23, 2004
Place: Santa Rosa Laguna Treatment Plant
Time: 9:00 AM – 11:00 PM

Parties Present and Represented:

Cities: Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma and Windsor.
Special Districts: Sonoma County Water Agency, Valley of the Moon WD, North Marin WD and Marin Municipal WD.

Attachment A contains complete list of attendees.

Status of Review of Draft 4 of Proposed Restructured Agreement for Water Supply and Discussion re. Section 3.5:

The Parties reported that Draft 4 was either under review by their attorneys and/or decision makers or that they were awaiting final draft.

Discussion followed on Section 3.5 allocation provisions. Virginia Porter reported rounds of discussions on the Allocation Methodology Technical Memorandum had been held with all parties and Section 3.5 language changes proposed by Santa Rosa had been circulated to the Prime Contractors. The document is being amended to include new population data from Petaluma and Sonoma. A meeting lead by Santa Rosa's and SCWA's attorney is set for Wednesday the 25th. Virginia stated she felt sufficient flexibility existed in the proposed Section 3.5 language to accommodate concerns raised by Petaluma. Pam Torliatt said Petaluma still had some issues and expected these would be forthcoming in writing.

Krishna Kumar asked about the proposed SCWA allocation policy vs. Santa Rosa's methodology. Virginia said Santa Rosa is not pressing for specific methodology to be included in the agreement but wants the agreement to include provisions that indicate the policy SCWA intends to follow to allocate water during a shortage. Virginia noted that this policy defines how the wholesaler (SCWA) allocates to the retailer (WAC members) and does not in any way influence how the retailer allocates to its customers - this being defined in each retail agency's Water Shortage Contingency Plan.

Pam Jeane said the SCWA Directors have scheduled a workshop on allocation policy and other water issues for November 1st. Pam Torliatt suggested and Jake McKenzie moved and Chris DeGabriele seconded a proposal that the regular WAC meeting scheduled for

that same date be cancelled and WAC members be urged to attend the workshop. The motion was adopted without dissent.

Mike Martini asked whether the \$35/acre-ft cap language was sufficient regarding the proposed Watershed Planning and Restoration Charge. Chris DeGabriele said he thought the 5-year commitment to a \$35 cap that SCWA had ultimately agreed to was a reasonable compromise.

Regarding scheduling, the consensus appeared to be for Santa Rosa to complete the revised Allocation Methodology Technical Memorandum, for the Water Contractors to provide any feedback on Santa Rosa's proposed Section 3.5 language to SCWA and Santa Rosa, and for SCWA's attorney to then draft language recommended for Section 3.5 and provide to WAC for review.

Extended MOU:

Nelson presented Draft 5 of the Extended MOU including the final Table 1 recommended by the MOU Tech. Group (Attachment B). He noted one remaining issue was still being worked on relating to referencing the existing agreement and proposed Restructured Agreement in Section 3. He said this technical issue should be resolved in a week and asked if there were any more comments. There were none from the WAC. Brenda Adelman said she did not believe the MOU addresses the issue of shortage/competition for water in the Russian River. Chris DeGabriele pointed out it is not designed to do that but to simply divvy up the available 92 mgd the SCWA will be able to produce once Caisson 6 is on line.

Mr. Nelson indicated he should have a final draft of the MOU in the hands of the WAC in a few weeks. He said this would be the version recommended for presentation to Boards and Councils for formal adoption.

Follow-up Schedule:

Follow-up actions/schedule indicated:

- MOU final version to be ready before next negotiation session set for Sept. 27th.
- Re. Section 3.5 Issue:
 - (1) Santa Rosa to complete the revised Allocation Methodology Technical Memorandum,
 - (2) Water Contractors to provide any feedback on Santa Rosa's proposed Section 3.5 language to SCWA and Santa Rosa and SCWA,
 - (3) SCWA's attorney to draft final recommended language for Section 3.5 and provide to WAC for review.
- Schedule for drafting final version of Restructured Agreement to follow.
- SCWA to discuss allocation policy issue at Nov. 1 workshop.

Next Agreement Negotiation Session:

Time and Date: 9:00 AM-12:00 PM, Sept. 27, 2004
Place: Santa Rosa's Laguna Treatment Plant

Next Regular WAC Meeting:

Time and Date: 9:00 AM-12:00 PM, October 4, 2004
Place: Santa Rosa's Laguna Treatment Plant

Attachments:

- A. List of Attendees, August 23, 2004 Negotiation Session
- B. Draft 5 of Proposed Extended MOU

Attachment A

Water Advisory Committee Negotiation Meeting Short Minutes For August 23, 2004

Attendees: Miles Ferris, City of Santa Rosa
Virginia Porter, City of Santa Rosa
Mike Martini, City of Santa Rosa
Jane Bender, City of Santa Rosa
Toni Bertolero, City of Cotati
Chris DeGabriele, North Marin Water District
Drew McIntyre, North Marin Water District
Pam Jeane, Sonoma County Water Agency
Kiergan Pegg, Sonoma County Water Agency
Pam Torliatt, City of Petaluma
Mike Ban, City of Petaluma
Mike Fuson, City of Sonoma
Al Bandur, City of Sonoma
Krishna Kumar, Valley of the Moon Water District
Ron Theisen, Marin Municipal Water District
Darrin Jenkins, City of Rohnert Park
Jake Mackenzie, City of Rohnert Park
Paul Berlandt, Town of Windsor
Matt Mullan, Town of Windsor
John Nelson, JONWRM

Public Attendees: Brenda Adelman, RRWPC
Bob Anderson, United Winegrowers
Fred Soares, Southwest Neighborhood Alliance
Tom Yarish, Friends of the Esteros
Jo Timmsen, Tell the Truth
Paul Stutrud, Owl Foundation